

109TH CONGRESS  
2D SESSION

# H. R. 5041

To amend the McKinney Vento Homeless Assistance Act to reauthorize the Act, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2006

Mr. RENZI (by request) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the McKinney Vento Homeless Assistance Act to reauthorize the Act, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Homeless Assistance  
5       Consolidation Act of 2006”.

6       **SEC. 2. FINDINGS AND PURPOSE.**

7       Section 102 of the McKinney Vento Homeless Assist-  
8       ance Act (42 U.S.C. 11301) is amended to read as follows:

9       **“SEC. 102. FINDINGS AND PURPOSE.**

10       “(a) FINDINGS.—Congress finds that—

1           “(1) assistance from the Federal Government is  
2           an important factor in the success of efforts by  
3           State and local governments and the private sector  
4           to address the problem of homelessness in a com-  
5           prehensive manner;

6           “(2) there are several housing programs the  
7           Federal Government administers to assist persons  
8           experiencing homelessness, including programs spe-  
9           cifically for individuals with disabling conditions,  
10          veterans, and youth;

11          “(3) homeless assistance programs must be  
12          evaluated on the basis of their effectiveness in reduc-  
13          ing homelessness in their given communities,  
14          transitioning individuals and families to permanent  
15          housing and stability, and optimizing self-sufficiency;

16          “(4) States and units of general local govern-  
17          ment receiving Federal grant funds must be evalu-  
18          ated on the basis of their effectiveness in imple-  
19          menting plans to appropriately discharge individuals  
20          from health care or treatment facilities or institu-  
21          tions, foster care or youth facilities, correctional in-  
22          stitutions, or other non-targeted service systems;

23          “(5) an effective plan for reducing homelessness  
24          should provide a comprehensive housing system (in-  
25          cluding permanent housing, transitional housing,

1 homelessness prevention and emergency shelter) that  
2 recognizes that, while some individuals and families  
3 experiencing homelessness attain economic viability  
4 and independence utilizing transitional housing and  
5 then permanent housing, others can become self-suf-  
6 ficient by moving directly to permanent housing;

7 “(6) supportive housing activities include the  
8 provision of permanent housing or transitional hous-  
9 ing, and appropriate supportive services, in an envi-  
10 ronment that can meet the short term or long term  
11 needs of persons experiencing homelessness as they  
12 become increasingly self-sufficient;

13 “(7) homeless housing and supportive services  
14 programs within a community are most effective  
15 when they are developed and operated as part of an  
16 inclusive, collaborative, locally driven homeless plan-  
17 ning process that involves as decisionmakers persons  
18 experiencing homelessness, advocates for persons ex-  
19 perienicing homelessness, service organizations, gov-  
20 ernment officials, business persons, neighborhood  
21 advocates, local or national foundations, and other  
22 community members;

23 “(8) faith-based and other community-based or-  
24 ganizations play important roles in providing hous-

1 ing and supportive services to persons experiencing  
2 homelessness;

3 “(9) homelessness is a symptom of many neigh-  
4 borhood and community problems and the remedies  
5 to these problems require a comprehensive local ap-  
6 proach integrating all available resources;

7 “(10) the Federal Government has a responsi-  
8 bility to establish partnerships with State and local  
9 governments and private sector entities to address  
10 comprehensively the problems of homelessness; and

11 “(11) while the results of Department of Hous-  
12 ing and Urban Development programs targeted for  
13 persons experiencing homelessness have been posi-  
14 tive, the number and complexity of such programs  
15 calls for simplification of the community led grant  
16 making process.

17 “(b) PURPOSE.—It is the purpose of this Act—

18 “(1) to create a unified and performance based  
19 process for allocating and administering funds under  
20 title IV;

21 “(2) to encourage comprehensive, collaborative  
22 local planning of housing and services programs for  
23 persons experiencing homelessness;

1           “(3) to focus the resources and efforts of the  
2           public and private sectors on helping to prevent  
3           homelessness and to end chronic homelessness;

4           “(4) to provide funds for programs and to im-  
5           plement activities to assist individuals and families  
6           in the transition from homelessness, and to prevent  
7           vulnerable individuals and families from becoming  
8           homeless;

9           “(5) to consolidate the separate homeless assist-  
10          ance programs carried out under title IV (consisting  
11          of the supportive housing program, the safe havens  
12          for homeless individuals demonstration program, the  
13          section 8 assistance for single-room occupancy dwell-  
14          ings program, the shelter plus care program, and the  
15          rural homeless housing assistance program) into a  
16          single program with specific eligible activities; and

17          “(6) to allow flexibility and creativity in re-  
18          thinking solutions to homelessness, including hous-  
19          ing strategies, service delivery, and the involvement  
20          of persons experiencing homelessness in decision-  
21          making regarding opportunities for their long term  
22          stability, growth, well being and ultimate self-suffi-  
23          ciency.”.

1 **SEC. 3. HOUSING ASSISTANCE GENERAL PROVISIONS.**

2 Subtitle A of title IV of the McKinney Vento Home-  
3 less Assistance Act (42 U.S.C. 11361 et seq.) is amend-  
4 ed—

5 (1) by striking the subtitle heading and insert-  
6 ing the following:

7 **“Subtitle A—General Provisions”.**

8 (2)(A) by redesignating section 401 (42  
9 U.S.C.11361) as section 403; and

10 (B) by redesignating section 402 (42  
11 U.S.C.11362) as section 406;

12 (3) by inserting before section 403 (as redesign-  
13 nated in paragraph (2)) the following:

14 **“SEC. 401. DEFINITIONS.**

15 “In this title:

16 “(1) CHRONICALLY HOMELESS PERSON.—The  
17 term ‘chronically homeless person’ means an unac-  
18 companied homeless individual with a disabling con-  
19 dition who has either been continuously sleeping in  
20 a place not meant for human habitation or in an  
21 emergency homeless shelter for a year or more or  
22 who has had at least four episodes of continuously  
23 sleeping in a place not meant for human habitation  
24 or in an emergency homeless shelter in the past  
25 three years.

1           “(2) CONTINUUM OF CARE BOARD.—The term  
2           ‘continuum of care board’ means a legal entity  
3           that—

4                   “(A) is a representative community home-  
5           less planning body established or designed in  
6           accordance with section 402; and

7                   “(B) serves as the applicant for project  
8           sponsors who jointly submit a single application  
9           for grants under subtitle C in accordance with  
10          a collaborative process.

11          “(3) CONSOLIDATED PLAN.—The term ‘Con-  
12          solidated Plan’ means any such plan established by  
13          the Secretary by regulation incorporating the appli-  
14          cable comprehensive housing affordability strategy,  
15          and such other requirements as the Secretary shall  
16          prescribe, in accordance with title I of the Cranston-  
17          Gonzalez National Affordable Housing Act (42  
18          U.S.C. 12704 et seq.).

19          “(4) DISABLING CONDITION.—The term ‘dis-  
20          abling condition’ means a diagnosable substance use  
21          disorder, serious mental illness, developmental dis-  
22          ability, or chronic physical illness or disability, in-  
23          cluding the co-occurrence of two or more of these  
24          conditions, that limits an individual’s ability to work  
25          or perform one or more activities of daily living.

1           “(5) ELIGIBLE PERSON.—The term ‘eligible  
2           person’ means, with respect to subsections (a) and  
3           (e) of section 423, a homeless individual with a dis-  
4           abling condition and the families of such individuals.

5           “(6) LEGAL ENTITY.—The term ‘legal entity’  
6           means—

7                   “(A) an entity organized or recognized  
8                   under the authority of state law;

9                   “(B) an organization associated with State  
10                  or local government; or

11                  “(C) a consortium of organizations associ-  
12                  ated with state or local governments that has  
13                  constituted itself in accordance with subpara-  
14                  graph (A).

15           “(7) PERMANENT HOUSING.—The term ‘perma-  
16           nent housing’ means housing, including rental as-  
17           sistance, without a designated length of stay for  
18           homeless individuals with disabling conditions and  
19           homeless families that include such an individual  
20           that is an adult.

21           “(8) PRIVATE NONPROFIT ORGANIZATION.—  
22           The term ‘private nonprofit organization’ means an  
23           organization, including faith-based and other com-  
24           munity-based organizations—



1           “(A) organized and recognized under the  
2 authority of state law;

3           “(B) no part of the net earnings of which  
4 inures to the benefit of any member, founder,  
5 contributor, or individual;

6           “(C) that has a voluntary board; and

7           “(D) that has an accounting system, or  
8 has designated a fiscal agent in accordance with  
9 requirements established by the Secretary.

10          “(9) PROJECT.—The term ‘project’ means a  
11 structure or structures (or a portion of such struc-  
12 ture or structures) for which—

13           “(A) assistance under subtitle C is used  
14 to—

15           “(i) acquire, rehabilitate, construct,  
16 lease or rent the structure;

17           “(ii) make annual payments for oper-  
18 ating costs; or

19           “(iii) provide supportive services in  
20 connection therewith; or

21          “(B) the Secretary provides technical as-  
22 sistance.

23          “(10) PROJECT BASED.—The term ‘project-  
24 based’, used with respect to rental assistance, means  
25 assistance provided pursuant to a contract that—

1 “(A) is between—

2 “(i) a project sponsor; and

3 “(ii) an owner of an existing struc-  
4 ture; and

5 “(B) provides that rental assistance pay-  
6 ments shall be made to the owner and that the  
7 units in the structure shall be occupied by eligi-  
8 ble persons for not less than the term of the  
9 contract.

10 “(11) PROJECT SPONSOR.—The term ‘project  
11 sponsor’ means the organization directly operating  
12 the proposed projects.

13 “(12) SECRETARY.—The term ‘Secretary’  
14 means the Secretary of Housing and Urban Develop-  
15 ment.

16 “(13) STATE.—The term ‘State’ means each of  
17 the several States, the District of Columbia, the  
18 Commonwealth of Puerto Rico, the United States  
19 Virgin Islands, Guam, American Samoa, the North-  
20 ern Mariana Islands and Palau.

21 “(14) SUPPORTIVE HOUSING.—The term ‘sup-  
22 portive housing’ means a housing program that—

23 “(A) helps homeless persons and families  
24 transition from homelessness to living in safe,

1 decent and affordable housing in a manner that  
2 optimizes self-sufficiency; and

3 “(B) provides supportive services and  
4 housing assistance on either a transitional or  
5 permanent basis, as determined by the assessed  
6 abilities and needs of the program participants.

7 “(15) SUPPORTIVE SERVICES.—The term ‘sup-  
8 portive services’ means the services described in sec-  
9 tion 428(c).

10 “(16) TENANT BASED.—The term ‘tenant  
11 based’, used with respect to rental assistance, means  
12 assistance that allows an eligible person to select a  
13 housing unit in which such person will live using  
14 rental assistance provided under subtitle C, except  
15 that if necessary to assure that the provision of sup-  
16 portive services to a person participating in a pro-  
17 gram is feasible, a project sponsor may require that  
18 the person live—

19 “(A) in a particular structure or unit for  
20 not more than the first year of the participa-  
21 tion; and

22 “(B) within a particular geographic area  
23 for the full period of the participation, or the  
24 period remaining after the period referred to in  
25 subparagraph (A).

1           “(17) TRANSITIONAL HOUSING.—The term  
 2           ‘transitional housing’ means housing, the purpose of  
 3           which is to facilitate the movement of individuals  
 4           and families experiencing homelessness to permanent  
 5           housing within 24 months or such longer period as  
 6           the Secretary determines necessary.

7   **“SEC. 402. CONTINUUM OF CARE BOARDS.**

8           “(a) ESTABLISHMENT.—A continuum of care board  
 9           shall be established for a geographic area for one or more  
 10          units of general local government as a private nonprofit  
 11          organization, or an organization associated with state or  
 12          local government or a consortium thereof, which consor-  
 13          tium is itself organized under authority of state law.

14          “(b) MISSION.—A continuum of care board will lead  
 15          a collaborative planning process to design, implement and  
 16          evaluate programs, policies and practices to prevent and  
 17          help end homelessness.

18          “(c) APPOINTMENT OF AN AGENT.—

19                  “(1) Subject to paragraph (2), a continuum of  
 20          care board may designate an agent to—

21                          “(A) apply for a grant under section  
 22                          422(b); and

23                          “(B) receive and distribute grant funds  
 24                          awarded under subtitle C.

1           “(2) Any continuum of care board that ap-  
2           points an agent pursuant to paragraph (1) shall  
3           nonetheless retain all of its duties and responsibil-  
4           ities under this title.

5           “(d) MEMBERSHIP OF CONTINUUM OF CARE  
6 BOARD.—

7           “(1) IN GENERAL.—A continuum of care board  
8           established under subsection (a) shall be composed  
9           of persons—

10                   “(A) from a particular geographic area;

11                   “(B) not less than 65 percent of whom  
12           are—

13                           “(i) persons who are experiencing or  
14                           have experienced homelessness (with not  
15                           fewer than two persons being individuals  
16                           who are experiencing or have experienced  
17                           homelessness);

18                           “(ii) persons who act as advocates for  
19                           the diverse subpopulations of persons expe-  
20                           riencing homelessness;

21                           “(iii) persons or representatives of or-  
22                           ganizations who provide assistance to the  
23                           variety of individuals and families experi-  
24                           encing homelessness and those at risk of  
25                           homelessness, including entities such as

1 law enforcement and health and mental  
2 health organizations;

3 “(iv) members of the business commu-  
4 nity and local workforce investment boards  
5 established under the Workforce Invest-  
6 ment Act of 1998 (29 U.S.C. 2801 et  
7 seq.);

8 “(v) members of neighborhood advo-  
9 cacy organizations; and

10 “(vi) members of philanthropic orga-  
11 nizations that contribute to preventing and  
12 ending homelessness in the geographic  
13 area of the continuum of care board; and

14 “(C) the remainder of whom, but not less  
15 than one individual, are selected from among  
16 government agency officials, particularly those  
17 officials responsible for administering funding  
18 under programs targeted for persons experi-  
19 encing homelessness, and other programs for  
20 which persons experiencing homelessness are el-  
21 igible.

22 “(2) WAIVER.—The Secretary may, for good  
23 cause and on a case-by-case basis, waive the require-  
24 ments of section 402(d)(1) as he determines to be  
25 necessary or appropriate.

1       “(e) COMPOSITION AND ROTATION OF MEMBERSHIP  
2 OF BOARD.—

3               “(1) COMPOSITION.—To the extent practicable,  
4 all of the individuals, organizations, agencies and  
5 businesses described in subsection (d)(1) shall be  
6 represented on the continuum of care board.

7               “(2) ROTATION OF MEMBERSHIP.—The con-  
8 tinuum of care board shall rotate its membership,  
9 upon such terms as designated by the Secretary, to  
10 ensure that individuals and representatives of all  
11 agencies, businesses, and organizations who are de-  
12 scribed in subsection (d)(1) and invested in devel-  
13 oping and implementing strategies to prevent and  
14 help end homelessness are able to participate as de-  
15 cisionmaking members of the continuum of care  
16 board.

17       “(f) REMEDIAL ACTION.—If the Secretary finds that  
18 a continuum of care board for a geographic area does not  
19 meet the requirements of this section, the Secretary may  
20 take remedial action to ensure fair distribution of grant  
21 amounts under subtitle C to project sponsors within that  
22 area. Such measures may include designating another  
23 body as a continuum of care board.

24       “(g) DUTIES.—A continuum of care board shall—

1           “(1)(A) design a collaborative process, estab-  
2           lished jointly and complied with by its members, for  
3           evaluating, reviewing, prioritizing, awarding, and  
4           monitoring projects and applications submitted by  
5           project sponsors for funding under subtitle C in such  
6           a manner as to ensure that the project sponsors in-  
7           volved further the goal of preventing homelessness  
8           and helping to end chronic homelessness and pro-  
9           moting self-sufficiency in the geographic area in-  
10          volved;

11           “(B)(i) review relevant policies and practices (in  
12           place and planned) of public and private entities in  
13           the geographic area served by the continuum of care  
14           board to determine if the policies and practices fur-  
15           ther or impede the goal described in subparagraph  
16           (A);

17           “(ii) in conducting the review, give priority to  
18           the review of—

19           “(I) the discharge planning and service  
20           termination policies and practices of publicly  
21           funded facilities or institutions (such as health  
22           care or treatment facilities or institutions, fos-  
23           ter care or youth facilities, or correctional insti-  
24           tutions), and entities carrying out publicly  
25           funded programs and systems of care (such as



1 health care or treatment programs, the pro-  
2 grams of block grants to States for temporary  
3 assistance for needy families established under  
4 part A of title IV of the Social Security Act (42  
5 U.S.C. 601 et seq.), foster care or youth pro-  
6 grams, or correctional programs);

7 “(II) the access to programs for which  
8 homeless persons would be eligible; and

9 “(III) local policies and practices relating  
10 to zoning and other land use controls, land de-  
11 velopment standards, fees, codes, and their ad-  
12 ministration and enforcement, to help to reduce  
13 regulatory barriers that prevent the reasonable  
14 inclusion and distribution in the geographic  
15 area of persons experiencing homelessness; and

16 “(iii) in conducting the review, determine the  
17 modifications and corrective actions that need to be  
18 taken, and by whom, so that the relevant policies  
19 and practices do not stimulate, or prolong, homeless-  
20 ness in the geographic area;

21 “(2)(A) require, consistent with the Govern-  
22 ment Performance and Results Act of 1993 (31  
23 U.S.C. 1101 et seq.) and amendments thereto, that  
24 project sponsors who are funded by grants received  
25 under subtitle C implement and maintain an out-

1       come based evaluation of their projects that meas-  
2       ures effective and timely delivery of housing or serv-  
3       ices and whether provision of such housing or serv-  
4       ices results in preventing or helping to end homeless-  
5       ness for the persons that such project sponsors  
6       serve;

7               “(B) request that States and local governments  
8       who distribute funds under subtitle B submit infor-  
9       mation and comments on the administration of ac-  
10      tivities under subtitle B, to enable the continuum of  
11      care board to plan and design a full continuum of  
12      care for persons experiencing homelessness;

13              “(3) provide, consistent with the Government  
14      Performance and Results Act of 1993 and amend-  
15      ments thereto, an independent outcome based eval-  
16      uation of the homeless assistance planning process  
17      of the continuum of care board to measure the per-  
18      formance of the continuum of care board in ending  
19      chronic homelessness and in preventing or helping to  
20      end the homelessness of persons in the geographic  
21      area of the continuum of care board;

22              “(4) participate in the Consolidated Plan, and  
23      coordinate with other jurisdictional plans related to  
24      homelessness, including 10-year plans to end chronic

1 homelessness for the geographic area served by the  
2 continuum of care board; and

3 “(5) arrange for an annual audit of the finan-  
4 cial records of each project carried out by a project  
5 sponsor funded by a grant received under subtitle C.

6 “(h) CONFLICT OF INTEREST.—

7 “(1) No member of a continuum of care board  
8 may participate in decisions of the continuum of  
9 care board concerning a grant under subtitle C, or  
10 provision of other financial benefits, to such member  
11 or the organization that such member represents.

12 “(2) Nothing in this section shall be construed  
13 to displace conflict of interest or government fair  
14 practices laws, or their equivalent, that govern appli-  
15 cants for grant amounts under subtitle C.

16 “(i) HOMELESS MANAGEMENT INFORMATION SYS-  
17 TEM.—In accordance with standards established by the  
18 Secretary, each continuum of care board shall ensure con-  
19 sistent participation by project sponsors in a community-  
20 wide homeless management information system. The con-  
21 tinuum of care board shall ensure the participation for  
22 purposes of collecting unduplicated counts of individuals  
23 experiencing homelessness, analyzing patterns of use of  
24 assistance provided under subtitle C for the geographic  
25 area involved, implementing an effective information and

1 referral system, and providing information for the needs  
2 analyses and funding priorities of continuum of care  
3 boards.”;

4 (4) by inserting after section 403 (as redesign-  
5 nated in paragraph (2)) the following:

6 **“SEC. 404. TECHNICAL ASSISTANCE AND SPECIAL INITIA-**  
7 **TIVES.**

8 “(a) TECHNICAL ASSISTANCE.—To aid in effectively  
9 carrying out the provisions of this title, the Secretary shall  
10 make technical assistance available to continuum of care  
11 boards and project sponsors or potential project sponsors.

12 “(b) SPECIAL INITIATIVES.—The Secretary may  
13 make funds available under this title for special initiatives  
14 and demonstration programs that would further the pur-  
15 poses of this title.

16 “(c) RESERVATION.—The Secretary may reserve not  
17 more than one percent of the funds made available for  
18 any fiscal year for carrying out subtitles B and C, to pro-  
19 vide technical assistance and funding for special initiatives  
20 under subsections (a) and (b).

21 **“SEC. 405. PERFORMANCE REPORTS AND MONITORING.**

22 “(a) IN GENERAL.—A continuum of care board shall  
23 submit to the Secretary an annual performance report re-  
24 garding the activities carried out with grant amounts re-  
25 ceived under subtitles B and C in the geographic area

1 served by the continuum of care board, at such time and  
2 in such manner as the Secretary determines to be reason-  
3 able.

4 “(b) CONTENT.—The performance report described  
5 in subsection (a) shall—

6 “(1) describe the number of persons provided  
7 homelessness prevention assistance and the number  
8 of individuals experiencing homelessness who were  
9 provided emergency shelter, transitional or perma-  
10 nent housing, or supportive services, with the grant  
11 awarded in the fiscal year prior to the fiscal year in  
12 which the report was submitted;

13 “(2) estimate the number of persons experi-  
14 encing homelessness in the geographic area served  
15 by the continuum of care board who are eligible for,  
16 but did not receive, services, housing, or other as-  
17 sistance through the programs funded under sub-  
18 titles B and C in the prior fiscal year;

19 “(3) indicate the accomplishments achieved  
20 within the geographic area including efforts to co-  
21 ordinate services and programs;

22 “(4) assess the consistency and coordination be-  
23 tween the programs funded under subtitles B and C  
24 in the prior fiscal year and the Consolidated Plan  
25 and other jurisdictional plans related to homeless-

1       ness, including 10-year plans to end chronic home-  
2       lessness;

3               “(5) for each project sponsor funded through a  
4       grant under subtitle c that is within the jurisdiction  
5       of the continuum of care board—

6               “(A) include a performance evaluation;

7               “(B) include a report, resulting from an  
8       audit conducted under section 402(g)(5), detail-  
9       ing whether the project sponsor has carried out  
10      the record-keeping and reporting requirements  
11      of section 429(b)(8); and

12              “(6) provide such other information as the Sec-  
13      retary finds relevant to assessing performance, in-  
14      cluding performance on success measures that are  
15      risk adjusted to factors related to the circumstances  
16      of the population served.

17      “(c) MONITORING BY THE SECRETARY.—

18              “(1) CONTINUUM OF CARE BOARDS.—At time  
19      intervals determined by the Secretary, the Secretary  
20      shall—

21              “(A) ensure that continuum of care boards  
22      have complied with the requirements of sub-  
23      section (b)(5) and section 402(g)(5);

24              “(B) require continuum of care boards re-  
25      ceiving funds under subtitle C to establish such

1           fiscal control and fund accounting procedures  
2           as may be necessary to assure the proper dis-  
3           bursal of, and accounting for, Federal funds  
4           awarded to the continuum of care board under  
5           subtitle C in order to ensure that all financial  
6           transactions carried out under subtitle C are  
7           conducted, and records maintained, in accord-  
8           ance with generally accepted accounting prin-  
9           ciples; and

10           “(C) for a selected sample of continuum of  
11           care boards receiving funds under subtitle C—

12                   “(i) ensure that each selected con-  
13                   tinuum of care board has satisfactorily car-  
14                   ried out the recordkeeping and reporting  
15                   requirements of subsections (a) and (b),  
16                   section 429(b)(3), and, if applicable, sec-  
17                   tion 429(b)(6); and

18                   “(ii) audit the financial records of  
19                   each selected continuum of care board re-  
20                   ceiving funds under subtitle C to carry out  
21                   section 423(a)(9)(A), using Federal audi-  
22                   tors or their designate.

23           “(2) PROJECT SPONSORS.—At time intervals  
24           determined by the Secretary, the Secretary shall se-  
25           lect a sample of project sponsors and shall conduct

1 a performance evaluation of each project of each se-  
 2 lected project sponsor funded under subtitle C, using  
 3 the outcome-based evaluation measures developed by  
 4 the appropriate continuum of care board in accord-  
 5 ance with section 402(g)(2) and including the meas-  
 6 urements described in section 423(a)(9).

7 “(d) ACTION BY SECRETARY.—Based on the infor-  
 8 mation available to the Secretary, including information  
 9 obtained pursuant to subsections (b) and (c), the Sec-  
 10 retary may adjust, reduce, or withdraw amounts made  
 11 available (or that would otherwise be made available) to  
 12 continuum of care boards, or take other action as appro-  
 13 priate, except that amounts already properly expended on  
 14 eligible activities under this title may not be recaptured  
 15 by the Secretary.”; and

16 (5) by inserting after section 406 (as redesign-  
 17 nated in paragraph (2)) the following:

18 **“SEC. 407. AUTHORIZATION OF APPROPRIATIONS.**

19 “(a) IN GENERAL.—There are authorized to be ap-  
 20 propriated to carry out this title \$1,536,000,000 for fiscal  
 21 year 2007 and such sums as may be necessary for each  
 22 of fiscal years 2008, 2009, 2010, and 2011.

23 “(b) SAMARITAN CHRONIC HOMELESSNESS INITIA-  
 24 TIVE.—Of the amounts specified in subsection (a), no  
 25 more than \$200,000,000 for fiscal year 2007 and such



1 sums as may be necessary for fiscal years 2008, 2009,  
2 2010, and 2011 shall be used for the Samaritan Chronic  
3 Homelessness Initiative authorized under section 425.”.

4 **SEC. 4. EMERGENCY SHELTER GRANTS PROGRAM.**

5 Subtitle B of title IV of the McKinney Vento Home-  
6 less Assistance Act (42 U.S.C. 11371 et seq.) is amend-  
7 ed—

8 (1) by striking section 412 (42 U.S.C. 11372)  
9 and inserting the following:

10 **“SEC. 412. GRANT ASSISTANCE.**

11 “The Secretary shall, to the extent amounts are ap-  
12 proved in appropriations Acts under section 407, make  
13 grants to States and local governments (and to private  
14 nonprofit organizations providing assistance to persons ex-  
15 perienicing homelessness, in the case of grants made with  
16 reallocated amounts) for the purpose of carrying out ac-  
17 tivities described in section 414.

18 **“SEC. 412A. AMOUNT AND ALLOCATION OF ASSISTANCE.**

19 “(a) IN GENERAL.—Of the amount appropriated to  
20 carry out title IV for a fiscal year, the Secretary shall allo-  
21 cate nationally not more than 15 percent of such amount  
22 for subtitle B.

23 “(b) ALLOCATION.—An entity that receives a grant  
24 under section 412, and serves an area that includes one  
25 or more geographic areas (or portions of such areas)

1 served by continuum of care boards that submit applica-  
2 tions under subtitle C, shall allocate the funds made avail-  
3 able through the grant to carry out activities described  
4 in section 414, in consultation with the continuum of care  
5 boards.”;

6 (2) in section 413(b) (42 U.S.C. 11373(b)), by  
7 striking “amounts appropriated” and all that follows  
8 through “for any” and inserting “amounts appro-  
9 priated under section 407 and made available to  
10 carry out this subtitle for any”;

11 (3) by striking section 414 (42 U.S.C. 11374)  
12 and inserting the following:

13 **“SEC. 414. ELIGIBLE ACTIVITIES.**

14 “Assistance provided under section 412 may be used  
15 for the following activities:

16 “(1) The renovation, major rehabilitation, or  
17 conversion of buildings to be used as emergency  
18 shelters.

19 “(2) The provision of essential services, includ-  
20 ing services concerned with employment, health, or  
21 education, family support services for homeless  
22 youth, alcohol or drug abuse prevention or treat-  
23 ment, or mental health treatment, if such essential  
24 services have not been provided by the local govern-  
25 ment during any part of the immediately preceding

1 12 month period, or the use of assistance under this  
2 subtitle would complement the provision of those es-  
3 sential services.

4 “(3) Maintenance, operation insurance, provi-  
5 sion of utilities, and provision of furnishings.”;

6 (4) by repealing section 417 (42 U.S.C. 11377);  
7 and

8 (5) by redesignating section 418 (42 U.S.C.  
9 11378) as section 417.

10 **SEC. 5. HOMELESS ASSISTANCE PROGRAM.**

11 Subtitle C of title IV of the McKinney Vento Home-  
12 less Assistance Act (42 U.S.C. 11381 et seq.) is amend-  
13 ed—

14 (1) by striking the subtitle heading and insert-  
15 ing the following:

16 **“Subtitle C—Homeless Housing**  
17 **Program”.**

18 (2) by striking sections 421 through 423 (42  
19 U.S.C. 11381 et seq.) and inserting the following:

20 **“SEC. 421. PURPOSES.**

21 “The purposes of this subtitle are—

22 “(1) to promote the implementation of activities  
23 that can prevent vulnerable individuals and families  
24 from becoming homeless;

1           “(2) to promote the development of transitional  
2           and permanent housing;

3           “(3) to provide rental housing assistance to  
4           homeless individuals with disabling conditions and  
5           the families of such individuals;

6           “(4) to help eliminate systematic barriers to ac-  
7           cessing federal, state and local programs for which  
8           homeless persons may be eligible; and

9           “(5) to encourage and foster self-sufficiency  
10          among homeless individuals.

11   **“SEC. 422. COMMUNITY HOMELESS ASSISTANCE PROGRAM.**

12          “(a) PROJECTS.—The Secretary shall make grants to  
13          continuum of care boards to carry out homeless assistance  
14          and prevention projects.

15          “(b) APPLICATIONS.—

16               “(1) SUBMISSION TO THE SECRETARY.—To re-  
17               ceive a grant under subsection (a), a continuum of  
18               care board shall submit an application to the Sec-  
19               retary at such time and in such manner as the Sec-  
20               retary may require, and containing—

21                       “(A) the information described in sub-  
22                       sections (a) and (b) of section 429; and

23                       “(B) other information that shall—

24                               “(i) describe the establishment or des-  
25                               ignation and function of the continuum of

1 care board, including the nomination and  
2 selection process of all members of the con-  
3 tinuum of care board;

4 “(ii) outline the range of housing and  
5 service programs available to persons expe-  
6 riencing homelessness or imminently at  
7 risk of experiencing homelessness and de-  
8 scribe the unmet needs that remain in the  
9 geographic area for which the continuum  
10 of care board seeks funding regarding—

11 “(I) prevention activities;

12 “(II) outreach activities to assess  
13 the needs and conditions of persons  
14 experiencing homelessness; and

15 “(III) emergency shelters, transi-  
16 tional housing, permanent housing,  
17 and needed supportive services;

18 “(iii) identify funds from private and  
19 public sources, other than funds received  
20 under subtitles B and C, that the State,  
21 units of general local government, con-  
22 tinuum of care boards, project sponsors,  
23 and others will use for homelessness pre-  
24 vention, emergency shelter, supportive  
25 services, transitional housing, and perma-

1           nient housing, that will be integrated with  
2           the assistance provided under subtitles B  
3           and C;

4           “(iv) explain—

5                   “(I) how the continuum of care  
6                   board will meet the housing and serv-  
7                   ice needs of individuals and families  
8                   experiencing homelessness in the ap-  
9                   plicant’s community; and

10                   “(II) how the continuum of care  
11                   board will integrate the plan with the  
12                   strategy of the State and units of gen-  
13                   eral local government in the geo-  
14                   graphic area to prevent homelessness  
15                   and end chronic homelessness, includ-  
16                   ing, as part of that strategy, a work  
17                   plan for the applicable fiscal years;

18           “(v) report on the outcome based per-  
19           formance of the homeless programs within  
20           the geographic area served by the con-  
21           tinuum of care board that were funded  
22           under this title in the fiscal year prior to  
23           the fiscal year in which the application is  
24           submitted;

1 “(vi) include any relevant required  
2 agreements under this subtitle; and

3 “(vii) contain a certification of con-  
4 sistency with the Consolidated Plan pursu-  
5 ant to section 403.

6 “(2) SELECTION CRITERIA.—The Secretary  
7 shall select continuum of care boards to receive as-  
8 sistance under this subtitle by a national competition  
9 based on criteria established by the Secretary, which  
10 shall include—

11 “(A) the need for assistance in the area;

12 “(B) the ability and capacity of the con-  
13 tinuum of care board to carry out its duties and  
14 obligations under this subtitle and to effectively  
15 manage the distribution of grant funds;

16 “(C) the extent to which the amount of as-  
17 sistance to be provided under this subtitle will  
18 be supplemented with resources from other pub-  
19 lic and private sources;

20 “(D) the extent to which the continuum of  
21 care board has demonstrated coordination with  
22 the other Federal, State, local, private, and  
23 other entities serving individuals experiencing  
24 homelessness in the planning and operation of  
25 projects;

1           “(E) the performance of the continuum of  
2           care board and its projects; and

3           “(F) such other factors as the Secretary  
4           determines to be appropriate to carry out this  
5           subtitle in an effective and efficient manner.

6           “(3) ANNOUNCEMENT OF AWARDS.—The Sec-  
7           retary shall announce the grants to be made under  
8           subsection (a) for that fiscal year.

9           “(4) OBLIGATION, DISTRIBUTION, AND UTILIZA-  
10          TION OF FUNDS.—

11          “(A) REQUIREMENTS FOR OBLIGATION.—

12               “(i) IN GENERAL.—Not later than 9  
13               months after the announcement referred to  
14               in paragraph (3), each continuum of care  
15               board receiving a grant announced under  
16               paragraph (3) shall, with respect to a  
17               project to be funded through such grant,  
18               meet, or cause the project sponsor to meet,  
19               all requirements for the obligation of funds  
20               for such project, including, to the extent  
21               applicable, site control, matching funds,  
22               and environmental review requirements,  
23               except as provided in clause (ii).

24               “(ii) ACQUISITION, REHABILITATION,  
25               OR CONSTRUCTION.—Not later than 15



1 months after the announcement referred to  
2 in paragraph (3), each continuum of care  
3 board or project sponsor seeking the obli-  
4 gation of funds for acquisition of housing,  
5 rehabilitation of housing, or construction  
6 of new housing for a grant announced  
7 under paragraph (3) shall meet all require-  
8 ments for the obligation of those funds, in-  
9 cluding, to the extent applicable, site con-  
10 trol, matching funds, and environmental  
11 review requirements.

12 “(iii) EXTENSIONS.—At the discretion  
13 of the Secretary, and in compelling cir-  
14 cumstances, the Secretary may extend the  
15 date by which a continuum of care board  
16 shall meet or cause a project sponsor to  
17 meet the requirements described in clauses  
18 (i) and (ii) if the Secretary determines that  
19 compliance with the requirements was de-  
20 layed due to factors beyond the reasonable  
21 control of the continuum of care board or  
22 project sponsor. Such factors may include  
23 difficulties in obtaining site control for a  
24 proposed project, completing the process of  
25 obtaining secure financing for the project,

1 or completing the technical submission re-  
2 quirements for the project.

3 “(B) OBLIGATION.—After a continuum of  
4 care board meets or causes a project sponsor to  
5 meet the requirements described in subpara-  
6 graph (A), the Secretary shall obligate the  
7 funds for the grant involved.

8 “(C) EXPENDITURE OF FUNDS.—The Sec-  
9 retary shall establish deadlines for timely ex-  
10 penditure of funds. The Secretary may recap-  
11 ture the funds not expended by such deadlines.

12 “(c) NOTIFICATION OF FINAL PRO RATA ESTIMATED  
13 NEED AMOUNTS.—

14 “(1) NOTICE.—The Secretary shall inform each  
15 continuum of care board, at a time concurrent with  
16 the release of the Notice of Funding Availability for  
17 the grants, of the final pro rata estimated need  
18 amount under this subtitle for the geographic area  
19 represented by the continuum of care board.

20 “(2) METHODOLOGY FOR DETERMINING  
21 AMOUNT.—

22 “(A) Subject to subparagraph (B), the  
23 final pro rata estimated need amount under  
24 paragraph (1) shall be determined using a  
25 methodology selected by Secretary.

1           “(B) Prior to selecting the methodology  
2           referenced in subparagraph (A), the Secretary  
3           shall notify the public of the proposed method-  
4           ology, provide the public with the opportunity to  
5           comment on such methodology, and consider  
6           such comments in selecting the methodology.

7           “(3) COMBINATIONS OR CONSORTIA.—For a  
8           continuum of care board that represents a combina-  
9           tion or consortium of geographic areas, the esti-  
10          mated need amount shall be the sum of the esti-  
11          mated need amounts for the jurisdictions within the  
12          geographic areas represented by the continuum of  
13          care board.

14   **“SEC. 423. ELIGIBLE ACTIVITIES.**

15          “(a) IN GENERAL.—The Secretary may make grants  
16          to continuum of care boards under section 422 to carry  
17          out homeless assistance and prevention that consist of one  
18          or more of the following eligible activities:

19               “(1) Construction of housing.

20               “(2) Acquisition, renovation, conversion or re-  
21          habilitation of a structure to provide housing.

22               “(3) Leasing of property, or portions of prop-  
23          erty, not owned by the continuum of care board or  
24          project sponsor involved, for use in providing hous-  
25          ing or supportive services.

1           “(4) Provision of tenant-based rental housing  
2 assistance for eligible persons.

3           “(5) Provision of project-based rental housing  
4 assistance for eligible persons.

5           “(6) Payment of operating costs for housing  
6 units assisted under this subtitle.

7           “(7) Providing services determined by the Sec-  
8 retary (either at the Secretary’s initiative or on the  
9 basis of adequate justification by an applicant) to be  
10 directly relevant to assisting persons experiencing  
11 homelessness to access and retain housing, for both  
12 new projects and projects receiving renewal funding.

13           “(8)(A) Payment of administrative costs of the  
14 continuum of care board for planning, administering  
15 grants for, maintaining, and evaluating projects, and  
16 ensuring compliance with homeless management in-  
17 formation system requirements described in section  
18 402(i) may not be more than 6 percent of the total  
19 funds made available through the grant. The project  
20 sponsor may use up to 5 percent of the funds it re-  
21 ceives from the continuum of care board for admin-  
22 istrative costs.

23           “(B) For purposes of this paragraph, moni-  
24 toring and evaluating shall include—

1           “(i) measuring the outcomes of the home-  
2           less assistance planning process of a continuum  
3           of care board for preventing homelessness and  
4           helping to end chronic homelessness;

5           “(ii) the effective and timely implementa-  
6           tion of specific projects funded under this sub-  
7           title, relative to projected outcomes; and

8           “(iii) in the case of a housing project fund-  
9           ed under this subtitle, compliance with appro-  
10          priate standards of housing quality and habit-  
11          ability as determined by the Secretary.

12          “(9) Prevention activities for which a con-  
13          tinuum of care board may use up to 10 percent of  
14          the funds made available through a grant under sec-  
15          tion 422, including—

16               “(A) providing financial assistance to indi-  
17               viduals or families who have received eviction  
18               notices, foreclosure notices, or notices of termi-  
19               nation of utility services if, in the case of such  
20               an individual or family—

21                       “(i) the inability of the individual or  
22                       family to make the required payments is  
23                       due to a sudden reduction in income;

1 “(ii) the assistance is necessary to  
2 avoid the eviction, foreclosure, or termi-  
3 nation of services; and

4 “(iii) there is a reasonable prospect  
5 that the individual or family will be able to  
6 resume the payments within a reasonable  
7 period of time; and

8 “(B) carrying out relocation activities (in-  
9 cluding providing security or utility deposits,  
10 rental assistance for a final month at a loca-  
11 tion, assistance with moving costs, or rental as-  
12 sistance for not more than three months) for  
13 moving into transitional or permanent housing,  
14 individuals, and families that include such indi-  
15 viduals—

16 “(i) who lack housing;

17 “(ii) who are being discharged from a  
18 publicly funded acute care or long term  
19 care facility, program, or system of care,  
20 or whose services (from such a facility,  
21 program, or system of care) are being ter-  
22 minated; and

23 “(iii) who have plans, developed col-  
24 laboratively by the public entities involved  
25 and the individuals and families, for secur-

1                   ing or maintaining housing after any fund-  
2                   ing provided under this subtitle is utilized.

3           “(b) ELIGIBILITY FOR FUNDS FOR PREVENTION AC-  
4 TIVITIES.—To be eligible to receive grant funds under sec-  
5 tion 422 to carry out the prevention activities described  
6 in subsection (a)(9), a continuum of care board shall sub-  
7 mit an application to the Secretary under section 422 that  
8 shall include a certification in which—

9                   “(1) the relevant public entities in the geo-  
10           graphic area involved certify compliance with sub-  
11           section (c); and

12                   “(2) the publicly funded institutions, facilities,  
13           and systems of care in the geographic area certify  
14           that the institutions, facilities, and systems of care  
15           will take, and fund directly, all reasonable measures  
16           to ensure that the institutions, facilities, and sys-  
17           tems of care do not discharge individuals into home-  
18           lessness.

19           “(c) SUPPLEMENT, NOT SUPPLANT.—Funds appro-  
20 priated to further the purposes of this title and made  
21 available for prevention activities described in subsection  
22 (a)(9) shall be used to supplement and not supplant other  
23 Federal, State, and local public funds used for homeless-  
24 ness prevention.

25           “(d) USE RESTRICTIONS.—

1           “(1) ACQUISITION, REHABILITATION, AND NEW  
2           CONSTRUCTION.—A project that consists of activities  
3           described in paragraph (1) or (2) of subsection (a)  
4           shall be operated for the purpose specified in the ap-  
5           plication submitted for the project under section 422  
6           for not less than 15 years.

7           “(2) OTHER ACTIVITIES.—A project that con-  
8           sists of activities described in any of paragraphs (3)  
9           through (9) of subsection (a) shall be operated for  
10          the purpose specified in the application submitted  
11          for the project under section 422 for the duration of  
12          the grant period involved.

13          “(3) CONVERSION.—If the project sponsor car-  
14          rying out a project that provides transitional or per-  
15          manent housing submits a request to the continuum  
16          of care board to carry out instead a project for the  
17          direct benefit of very low income persons, and the  
18          continuum of care board determines that the initial  
19          project is no longer needed to provide transitional or  
20          permanent housing, the continuum of care board  
21          may approve the project described in the request  
22          and authorize the project sponsor to carry out that  
23          project.

24          “(e) RENTAL ASSISTANCE.—

25                 “(1) TENANT-BASED RENTAL ASSISTANCE.—



1           “(A) AUTHORITY.—Grants under section  
2           422 may be used to provide tenant-based rental  
3           assistance for eligible persons in accordance  
4           with this paragraph.

5           “(B) HOUSING ASSISTANCE.—An eligible  
6           person on behalf of whom assistance is provided  
7           under this subtitle shall select the unit in which  
8           such person will live using rental assistance  
9           under this subtitle; except that where necessary  
10          to assure that the provision of supportive serv-  
11          ices to persons is feasible, a continuum of care  
12          board or project sponsor may require that a  
13          person participating in the program live (i) in  
14          a particular structure or unit for up to the first  
15          year of participation, and (ii) within a par-  
16          ticular geographic area for the full period of  
17          participation or the period remaining after the  
18          period referred to in subclause (i).

19          “(C) AMOUNT OF ASSISTANCE.—The con-  
20          tract with a continuum of care board for assist-  
21          ance under this subtitle shall be for a term of  
22          5 years. Each contract shall provide that the  
23          continuum of care board shall receive aggregate  
24          amounts not to exceed the appropriate existing  
25          housing fair market rent limitation under sec-

tion 8(c) of the United States Housing Act of 1937 in effect at the time the application is approved. At the option of the continuum of care board and subject to the availability of such amounts, the continuum of care board may receive in any year (i) up to 25 percent of such amounts or (ii) such higher percentage as the Secretary may approve upon a demonstration satisfactory to the Secretary that the continuum of care board has entered into firm financial commitments to ensure that the housing assistance described in the application will be provided for the full term of the contract. Any amounts not needed for a year may be used to increase the amount available in subsequent years.

“(2) PROJECT-BASED RENTAL ASSISTANCE.—

“(A) AUTHORITY.—Grants under section 422 may be used to provide project-based rental assistance for eligible persons in accordance with this subsection.

“(B) HOUSING ASSISTANCE.—Assistance under this subtitle shall be provided pursuant to a contract between the continuum of care board or the project sponsor and an owner of

1 an existing structure. The contract shall provide  
2 that rental assistance payments shall be made  
3 to the owner and that the units in the structure  
4 shall be occupied by eligible persons for not less  
5 than the term of the contract.

6 “(C) TERM OF CONTRACT AND AMOUNT OF  
7 ASSISTANCE.—

8 “(i) TERM OF CONTRACT.—Each con-  
9 tract under subparagraph (B) shall be for  
10 a term of 5 years, and the owner shall  
11 have an option to renew the assistance for  
12 an additional 5-year term, subject to the  
13 availability of amounts provided in appro-  
14 priations Acts; except that if an expendi-  
15 ture of at least \$3,000 for each unit (in-  
16 cluding its prorated share of work on com-  
17 mon areas or systems) is required to make  
18 the structure decent, safe, and sanitary,  
19 and the owner agrees to carry out the re-  
20 habilitation with resources other than as-  
21 sistance under this subtitle within 12  
22 months of notification of grant approval,  
23 the contract shall be for a term of 10  
24 years.

1                   “(ii) AMOUNT OF ASSISTANCE.—Each  
 2                   contract shall provide that the recipient  
 3                   shall receive aggregate amounts not to ex-  
 4                   ceed the appropriate existing housing fair  
 5                   market rental under section 8(c)(1) of the  
 6                   United States Housing Act of 1937 in ef-  
 7                   fect at the time the application is ap-  
 8                   proved. Any amounts not needed for a year  
 9                   may be used to increase the amount avail-  
 10                  able in subsequent years.

11                  “(3) TENANT RENT.—In the case of a project  
 12                  that includes tenant-based or project-based rental  
 13                  assistance, each tenant shall pay as rent an amount  
 14                  determined in accordance with the provisions of sec-  
 15                  tion 3(a)(1) of the United States Housing Act of  
 16                  1937 (42 U.S.C. 1437a(a)(1)).

17   **“SEC. 424. TERMINATION OF TENANCY.**

18                  “(a) TERMINATION OF TENANCY IN PERMANENT  
 19   HOUSING.—A project sponsor shall not terminate the ten-  
 20   ancy or refuse to renew the lease of a tenant living in per-  
 21   manent housing funded by a grant under this subtitle ex-  
 22   cept for serious or repeated violations of the terms and  
 23   conditions of the lease, for a violation of applicable Fed-  
 24   eral, State, or local law, or other good cause. Any termi-  
 25   nation or refusal to renew must be preceded by not less

1 than 30 days by the project sponsor's service upon the  
 2 tenant of a written notice specifying the grounds for the  
 3 action.

4 “(b) TERMINATION OF TENANCY IN TRANSITIONAL  
 5 HOUSING.—If an individual or family occupying transi-  
 6 tional housing funded under this subtitle violates signifi-  
 7 cant program requirements, or violates applicable Federal,  
 8 State, or local law, the project sponsor may terminate the  
 9 housing assistance in accordance with a formal process es-  
 10 tablished by the project sponsor that recognizes the rights  
 11 of individuals receiving such assistance to due process of  
 12 law, which may include a hearing.

13 **“SEC. 425. INCENTIVES TO CREATE SAMARITAN CHRONIC**  
 14 **HOMELESSNESS INITIATIVE.**

15 “(a) IN GENERAL.—In making grants to continuum  
 16 of care boards under section 422, the Secretary shall pro-  
 17 vide the incentives described in subsection (b) to promote  
 18 the creation of new permanent housing units through the  
 19 construction, acquisition and rehabilitation, leasing , or  
 20 provision of rental assistance of permanent housing units,  
 21 that are owned or leased by a project sponsor or other  
 22 independent entity who entered into a contract with a  
 23 project sponsor, for chronically homeless persons.

24 “(b) ASSISTANCE FOR CHRONICALLY HOMELESS  
 25 PERSONS.—A continuum of care board that receives as-

1   sistance under section 422 to implement a project that in-  
 2   volves the construction, acquisition and rehabilitation,  
 3   leasing, or provision of rental assistance of permanent  
 4   housing units described in subsection (a) for chronically  
 5   homeless persons shall also receive, as part of the grant,  
 6   a bonus in an amount to be determined by the Secretary  
 7   to carry out permanent housing activities with supportive  
 8   services, as determined by the Secretary, for chronically  
 9   homeless persons.

10   **“SEC. 426. REPAYMENT OF ASSISTANCE AND PREVENTION**  
 11                   **OF UNDUE BENEFITS.**

12           “(a) REPAYMENT.—If assistance is provided under  
 13   section 422 to carry out a project that consists of activities  
 14   described in paragraph (1) or (2) of subsection (a) and  
 15   the project ceases to provide transitional or permanent  
 16   housing—

17                   “(1) earlier than 10 years after operation of the  
 18           project begins, the continuum of care board (or the  
 19           project sponsor receiving funds from the continuum  
 20           of care board) shall repay 100 percent of the assist-  
 21           ance; or

22                   “(2) not earlier than 10 years, but earlier than  
 23           15 years, after operation of the project begins, the  
 24           continuum of care board (or the project sponsor re-  
 25           ceiving funds from the continuum of care board)

1       shall repay 20 percent of the assistance for each of  
2       the years in the 15 year period for which the project  
3       fails to provide that housing.

4       “(b) PREVENTION OF UNDUE BENEFITS.—Except as  
5       provided in subsection (c) if any property is used for a  
6       project that receives assistance under subsection (a) and  
7       consists of activities described in paragraph (1) or (2) of  
8       subsection (a), and the sale or other disposition of the  
9       property occurs before the expiration of the 15 year period  
10      beginning on the date that operation of the project begins,  
11      the continuum of care board (or the project sponsor receiv-  
12      ing funds from the continuum of care board) who received  
13      the assistance shall comply with such terms and conditions  
14      as the Secretary may prescribe to prevent the continuum  
15      of care board (or a project sponsor receiving funds from  
16      the continuum of care board) from unduly benefiting from  
17      such sale or disposition.

18      “(c) EXCEPTION.—A continuum of care board (or a  
19      project sponsor receiving funds from the continuum of  
20      care board) shall not be required to make the repayments,  
21      and comply with the terms and conditions, required under  
22      subsection (a) or (b) if—

23              “(1) the sale or disposition of the property used  
24              for the project results in the use of the property for  
25              the direct benefit of very low income persons; or

1           “(2) all of the proceeds of the sale or disposi-  
 2           tion are used to provide transitional or permanent  
 3           housing meeting the requirements of this subtitle.”;

4           (3) by redesignating section 424 (42 U.S.C.  
 5           11384) as section 427;

6           (4) in section 425 (42 U.S.C. 11385)—

7                   (A) by redesignating this section as section  
 8           428;

9                   (B) by striking subsection (c) and insert-  
 10          ing the following:

11          “(c) SERVICES.—Supportive services may include  
 12          such services as determined by the Secretary (either at  
 13          the Secretary’s initiative or on the basis of adequate jus-  
 14          tification by an applicant) to be directly relevant to assist-  
 15          ing persons experiencing homelessness to access and re-  
 16          tain housing.”;

17          (5) in section 426 (42 U.S.C. 11386)—

18                   (A) by redesignating this section as section  
 19          429;

20                   (B) in subsection (a)—

21                           (i) in paragraph (1), by striking “this  
 22                           subtitle” and inserting “section 422”;

23                           (ii) in paragraph (2)—

24                                   (I) by striking subparagraph (B)  
 25                                   and inserting the following:



1           “(B) a description of the size and charac-  
2           teristics of the population that would occupy  
3           housing units or receive supportive services  
4           under this subtitle;”; and

5                       (II) in subparagraph (E), by  
6           striking “in the case of projects as-  
7           sisted under this title that do not re-  
8           ceive assistance under such sections,”;  
9           and

10                      (iii) in paragraph (3), in the last sen-  
11           tence, by striking “recipient” and inserting  
12           “continuum of care board (or a project  
13           sponsor receiving funds from the con-  
14           tinuum of care board)”;

15                      (C) by striking subsections (b) and (c) and  
16           inserting:

17           “(b) REQUIRED AGREEMENTS.—The Secretary may  
18           not provide assistance for a proposed project under this  
19           subtitle unless the continuum of care board involved  
20           agrees to—

21                      “(1) ensure the operation of the project in ac-  
22           cordance with the provisions of this subtitle;

23                      “(2) conduct ongoing monitoring to ensure that  
24           homeless persons are not systematically denied ac-  
25           cess to programs for which they may be eligible;

1           “(3) monitor and report to the Secretary on the  
2 progress of the project;

3           “(4) develop and implement procedures to en-  
4 sure—

5                 “(A) the confidentiality of records per-  
6 taining to any individual provided family vio-  
7 lence prevention or treatment services through  
8 the project; and

9                 “(B) that the address or location of any  
10 family violence shelter project assisted under  
11 this subtitle will not be made public, except  
12 with written authorization of the person respon-  
13 sible for the operation of such project;

14           “(5) involve homeless individuals and families,  
15 to the maximum extent practicable, through employ-  
16 ment, volunteer services, or otherwise, in con-  
17 structing, rehabilitating, maintaining, and operating  
18 the project assisted under this subtitle and in pro-  
19 viding supportive services for the project;

20           “(6) establish such fiscal control and fund ac-  
21 counting procedures as may be necessary to assure  
22 the proper disbursement of, and accounting of, such  
23 funds in order to ensure that all financial trans-  
24 actions carried out with such funds are conducted,

1 and records maintained, in accordance with gen-  
2 erally accepted accounting principles;

3 “(7) ensure, to the extent practicable, that any  
4 permanent housing that is created under a grant  
5 under this subtitle is located in a mixed income envi-  
6 ronment;

7 “(8) require each project sponsor who is funded  
8 by a grant received under this subtitle to establish  
9 such fiscal control and fund accounting procedures  
10 as may be necessary to assure the proper disbursal  
11 of, and accounting for, Federal funds received by the  
12 project sponsor under this subtitle in order to ensure  
13 that all financial transactions carried out under this  
14 subtitle are conducted, and records maintained, in  
15 accordance with generally accepted accounting prin-  
16 ciples; and

17 “(9) comply with such other terms and condi-  
18 tions as the Secretary may establish to carry out  
19 this subtitle in an effective and efficient manner.”;

20 (D) by redesignating subsection (d) as sub-  
21 section (c), and in the first sentence, by striking  
22 “recipient” and inserting “project sponsor”;

23 (E) by striking subsection (e);

1 (F) by redesignating subsections (f), (g),  
 2 and (h), as subsections (d), (e), and (f), respec-  
 3 tively;

4 (G) in subsection (e) (as redesignated in  
 5 subparagraph (E)), in the first sentence, by  
 6 striking “recipient” each place it appears and  
 7 inserting “continuum of care board or project  
 8 sponsor”;

9 (H) by striking subsection (i); and

10 (I) by redesignating subsection (j) as sub-  
 11 section (g);

12 (6)(A) by repealing sections 427 and 429 (42  
 13 U.S.C.11387, 11389); and

14 (B) by redesignating section 428 (42 U.S.C.  
 15 11388) as section 436; and

16 (7) by inserting after section 429, as redesign-  
 17 nated, the following:

18 **“SEC. 430. MATCHING FUNDING.**

19 “ A recipient of a grant under this subtitle shall sup-  
 20 plement the amounts provided in the grants, in cash from  
 21 any source, in an amount equal to not less than 25 percent  
 22 of the Federal funds provided under the grant.

1 **“SEC. 431. ALLOCATION AMOUNTS AND INCENTIVES FOR**  
2 **SPECIFIC ELIGIBLE ACTIVITIES.**

3 “(a) ANNUAL PORTION OF APPROPRIATED AMOUNT  
4 AVAILABLE.—From the amount made available to carry  
5 out this subtitle for a fiscal year, a portion equal to not  
6 less than 30 percent of the sums made available to each  
7 continuum of care board for that fiscal year shall be used  
8 for housing activities, exclusive of the Samaritan Chronic  
9 Homelessness Initiative under section 425, to develop and  
10 sustain permanent housing, including operating costs and  
11 leasing and rental housing assistance, in order to help cre-  
12 ate and sustain affordable permanent housing for home-  
13 less individuals with disabling conditions and homeless  
14 families that include such an individual who is an adult.

15 “(b) FUNDING FOR ACQUISITION, CONSTRUCTION,  
16 AND REHABILITATION OF PERMANENT OR TRANSITIONAL  
17 HOUSING.—Nothing in this title shall be construed to es-  
18 tablish a limit on the amount of funding that an applicant  
19 may request under this subtitle for acquisition, construc-  
20 tion, or rehabilitation activities for the development of per-  
21 manent housing or transitional housing.

22 **“SEC. 432. TREATMENT OF PREVIOUSLY OBLIGATED**  
23 **AMOUNTS.**

24 “Notwithstanding the amendment or repeal of any  
25 provision of law by the Homeless Assistance Consolidation  
26 Act of 2006, any amounts appropriated to carry out the

1 provisions so amended or repealed that are obligated be-  
2 fore the effective date of the Homeless Assistance Consoli-  
3 dation Act of 2006 shall be used in the manner provided,  
4 and subject to any requirements and agreements entered  
5 into, under such provisions as such provisions were in ef-  
6 fect immediately before such effective date.

7 **“SEC. 433. APPEAL PROCEDURE.**

8       “(a) IN GENERAL.—With respect to funding under  
9 this subtitle, if certification of consistency with the Con-  
10 solidated Plan or other jurisdictional plans related to  
11 homelessness, including 10-year plans to end chronic  
12 homelessness, pursuant to section 403 is withheld from  
13 an applicant who has submitted an application for that  
14 certification, such applicant may appeal such decision to  
15 the Secretary.

16       “(b) PROCEDURE.—The Secretary shall establish a  
17 procedure to process the appeals described in subsection  
18 (a).

19       “(c) DETERMINATION.—Not later than 45 days after  
20 the date of receipt of an appeal described in subsection  
21 (a), the Secretary shall determine if certification was un-  
22 reasonably withheld. If such certification was unreason-  
23 ably withheld, the Secretary shall review such application  
24 and determine if such applicant shall receive funding  
25 under this subtitle.

1 **“SEC. 434. NONDISCRIMINATION, PREFERENCES FOR PER-**  
2 **SONS WITH SPECIFIC DISABLING CONDI-**  
3 **TIONS AND GENDER-SPECIFIC ACTIVITIES.**

4 “(a) NONDISCRIMINATION.—No person in the United  
5 States shall on the grounds of race, color, national origin,  
6 religion, or sex, be excluded from participation in, be de-  
7 nied the benefits of, or be subjected to discrimination  
8 under any program or activity funded in whole or in part  
9 with funds made available under this title. Any prohibition  
10 against discrimination on the basis of age under the Age  
11 Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), or  
12 with respect to an otherwise qualified individual with a  
13 disability as provided in section 504 of the Rehabilitation  
14 Act of 1973 (29 U.S.C. 794) shall also apply to any such  
15 program or activity.

16 “(b) PREFERENCES FOR PERSONS WITH SPECIFIC  
17 DISABLING CONDITIONS.—All homeless assistance and  
18 prevention activities funded under this title serving indi-  
19 viduals with disabling conditions must be available to all  
20 such individuals without regard to their type of disability,  
21 except that a preference for individuals with specific types  
22 of disabling conditions can be provided in activities funded  
23 under this title if—

24 “(1) services appropriate for that population  
25 are provided;

1           “(2) serving this population in this manner is  
2           necessary to provide qualified homeless individuals  
3           with a disabling condition and families that include  
4           such an adult individual housing, aid, benefits, or  
5           services that are as effective as those provided to  
6           others; and

7           “(3) such homeless assistance and prevention  
8           activities are open to all otherwise eligible individ-  
9           uals with a disabling condition and families that in-  
10          clude such an adult individual who may benefit from  
11          the services provided.

12          “(c) GENDER-SPECIFIC ACTIVITIES.—This title shall  
13          not be construed to prohibit any project sponsor from  
14          maintaining or constructing separate living facilities or  
15          restroom facilities for the different sexes or offering gen-  
16          der-specific assistance in order to protect personal safety,  
17          privacy, or modesty.

18          “(d) RENEWALS.—Notwithstanding any other provi-  
19          sion of this subtitle, the Secretary may provide renewal  
20          grants under this subtitle for rental assistance projects  
21          that—

22                 “(1) were funded under the authority of Parts  
23                 I, II, III and IV of Subtitle F of this title as it ex-  
24                 isted immediately prior to enactment of the Home-  
25                 less Assistance Consolidation Act of 2006; and



1           “(2) are designed and carried out to exclusively  
 2           serve persons who are seriously mentally ill; have  
 3           chronic problems with alcohol, drugs, or both; or  
 4           have acquired immunodeficiency syndrome and re-  
 5           lated diseases.

6   **“SEC. 435. ENVIRONMENTAL REVIEW.**

7           “For purposes of environmental review, assistance  
 8           and projects under this title shall be treated as assistance  
 9           for special projects that are subject to section 305(c) of  
 10          the Multifamily Housing Property Disposition Reform Act  
 11          of 1994, and shall be subject to the regulations issued by  
 12          the Secretary to implement such section.”.

13   **SEC. 6. REPEALS AND CONFORMING AMENDMENTS.**

14          (a) REPEALS.—Subtitles D, E, F, and G of title IV  
 15          of the McKinney Vento Homeless Assistance Act (42  
 16          U.S.C. 11391 et seq., 11401 et seq., 11403 et seq., and  
 17          11408 et seq.) are repealed.

18          (b) CONFORMING AMENDMENTS.—Section 403(l) of  
 19          the McKinney Vento Homeless Assistance Act, as redesign-  
 20          nated in section 4(2), is amended—

21               (1) by striking “current housing affordability  
 22               strategy” and inserting “Consolidated Plan”; and

23               (2) by inserting before the comma the following:  
 24               “(referred to in that section as a ”comprehensive  
 25               housing affordability strategy“”).

1 **SEC. 7. EFFECTIVE DATE.**

2       This Act shall take effect one year after the date of  
3 enactment.

○